GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3673
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REGIONAL RURAL BANKS
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Will the Minister of FINANCE be pleased to state:

(a) the number of Regional Rural Banks (RRBs) and their sponsored banks functioning in the country as on date, State-wise;

(b) the performance of these banks in granting loans to the priority sector during the last three years, till date;

(c) the details of profn/loss position of these banks during the said period;

(d) whether the Goveriment proposes to improve the working of RRBs;

(e) if so, the steps tak 3n/proposed to be taken in this regard;

(f) whether the Government proposes to open more branches of these banks in the country;and (g) if so, the details thereof, State-wise ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAW AN KUMAR BANSAL)

(a):- As on date 96 RRBs, sponsored by 28 banks in 26 States are functioning as per details enclosed at Annexure.

(b)> Loans in Priority S ;ctor for the three vears are as under:

Amt. (Rs. in crores)

Category	2003-04	2004-05	2005-06
Total loans issued	15579.05	21082.47	25426.97
Priority Sector Lending (PSL)	11722.30	16568.02	20632.35
Percentage ofPSLtototalloansissued	75.24%	78.58%	81.14%

(c):- Details of profit/loss position of RRBs upto 31st March, 2006 are as under: Amt. (Rs. in crores)

Categoiy	2003-04	2004-05	2005-06
Total No. of RRBs	196	196	133
No. of RRBs in profit	163	166	111
Profit	952.32	902.60	807.80

No. of RRBs in losses 33 30 22

Loss 183.64 154.49 190.66

Net Profit 768.68 748.11 617.14

Note: due to the amalgamation of certain RRBs, the number has reduced in the year 2005-06.

(d) and (e):- Reserve Bank of India announced a special package which included :

* Enhancing resource :>ase of RRBs by supplementing their resources. Sponsor banks were asked to provide a separate line of credit at a reasonable rate of interest.

* Access to Inter-RRB term money/borrowing through which RRBs can easily have access to the term money markets.

* Access to Repo / Cc Uateralised Borrowing and Lending Obligation(CBLO) markets by which RRBs can enter into ready forward transactions in government securities

* Issue of credit / debit cards and setting up of ATMs

* Opening of Currency chests

* RRBs are allowed to undertake non-trade related current accounts transactions pertaining to Forex business

* Pension / Govemmert business - Banks are authorised to handle Government business and can appoint RRBs as their agents.

(f) and.(g);- In pursuance of the Budget announcement for the year 2007-08, RRBs have been advised to undertake an aggressive branch expansion programme and open at least one branch in each of the uncovered districts of the country.